

DALLAS-FORT WORTH OFFICE MARKET

MID-YEAR 2016

OVERVIEW

Economy continues to surge

The economy continues to surge despite global and national headwinds adversely affecting other cities and regions. A third consecutive quarter of falling U.S. productivity has tempered enthusiasm for the national economy and threatens to force the Fed to keep interest rates low for an indefinite period of time. Despite these economic difficulties, DFW is setting new record highs in office rents, absorption, employment gains, corporate relocations and housing prices.

The Metro ended the second quarter with a 12.7% vacancy rate and positive net absorption of approximately 1.5 million square feet. The booming market is associated with large corporate relocations to the area and construction trying to keep up with the demand. The average All Space Rental Rates ended the second quarter at \$23.76, an increase over the previous quarter. Building deliveries for the second quarter totaled 630,024 SF, with 10,302,852 SF still under construction. DFW consistently ranks as one of the top metro areas for job growth due to a combination of growth from existing businesses and the formation of new businesses.

NET ABSORPTION

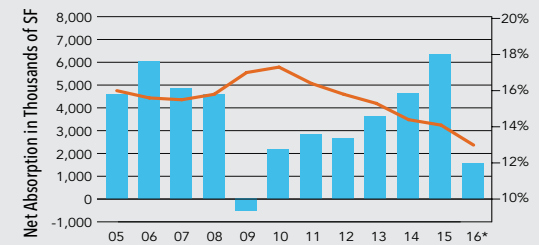
Positive absorption in all markets

Throughout the first half of the year, there has been just over 1.5 million SF of net absorption. Class A recorded 1,294,640 SF of positive absorption for the quarter and Class B recorded a positive 572,603 SF for the quarter. In the second quarter, there has been positive absorption in most markets. Although over 10 million SF of office space is under construction, 30% is preleased, and with the forecasted job growth, we expect to continue positive absorption to keep pace with deliveries.

Submarkets with the highest net absorption:

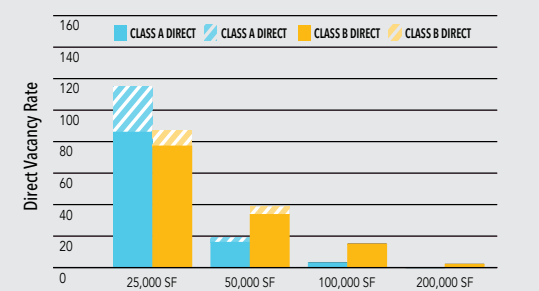
SUBMARKET	Q2 2016
Upper Tollway/West Plano	640,967
Westlake/Grapevine	225,714
North Dallas Tollway	162,290
Frisco/The Colony	156,999

NET ABSORPTION & VACANCY RATE TRENDS DALLAS-FORT WORTH



*At Q2 2016 SOURCE: CoStar, Transwestern; June 2016

CONTIGUOUS BLOCKS OF AVAILABLE SPACE DALLAS-FORT WORTH



*At Q2 2016 SOURCE: CoStar, Transwestern; June 2016

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VACANCY

Low vacancy as market holds steady

Direct vacancy levels in the office market dropped over 2%, from 14.4% in the first quarter, to 12.3% in the second quarter of 2016. Including subleases, overall total vacancy for the region is at 12.7%.

Class A vacancy has increased from 14.3% (15.1% including sublet) in the first quarter to 18.7% (19.3% including sublet) at mid-year. The increase in vacancy is largely due to all of the new construction in the area. Submarkets with the lowest Class A vacancy are Grand Prairie and Southeast Fort Worth (0.0%), Denton/Lewisville (4.4%), Southwest Dallas (5.5%) and Preston Center (7.0%).

Class B vacancy has decreased slightly from 14.8% (15.7% including sublet) in the first quarter and currently at 12.9% (13.1% including sublet). Submarkets with the lowest Class B vacancy are Alliance (3.9%), White Rock (5.2%), Fort Worth CBD (6.4%) and Frisco/The Colony (7.1%).

RENTAL RATES

Rental rates continue to rise

The average asking rent for all classes of space was \$23.76/SF, a 0.3% increase from the first quarter. The average rate for Class A space was \$27.68/SF for the second quarter, which is up 0.25% from the first quarter. Likewise Class B average price was also up from \$20.31/SF in the first quarter to \$20.46/SF at the end of the second quarter. We expect asking rental rates to continue to increase throughout the rest of the year in most of the region's submarkets.

INVESTMENT MARKETS

Investment sales remain strong as volume begins to slow

Dallas/Fort Worth recorded \$942 million of office investment sales volume across 23 transactions through the first half of 2016. These figures represent assets for which pricing information could be attained. While the number of transactions remained fairly static from previous years, sales volume is up 25% year-over-year. Demand continued to be somewhat equally divided between well-leased Class A assets and the value-add profile of Class B assets. Pricing for the nine Class A transactions consummated as of mid-year averaged \$215/SF and a 7.67% cap rate. Included in these transactions is the sale of KPMG Plaza to a syndicate that includes Hanwha Life out of Korea and locally-based Champion Partners. The partnership paid \$225 million, or \$490/SF, for the recently constructed office building located within the Arts District of the Dallas CBD. The per-foot price

Submarkets with the lowest direct vacancy:

DALLAS	Q2 2016
South Irving	6.6%
White Rock	6.8%
Preston Center	7.6%
Allen/McKinney	8.6%
FORT WORTH	Q2 2016
Southeast Ft. Worth	6.9%
Alliance	7.1%

Office space under construction or renovation:

Dallas-Fort Worth Metro Area | Q2 2016

SUBMARKET/AREA	SF	% PRE-LEASED
Upper Tollway/W Plano	4,870,208	70.44%
Uptown/Turtle Creek	1,794,225	72.85%
DFW Freeport/Coppell	876,402	90.9%
Frisco/The Colony	400,000	0.0%
Dallas CBD	342,879	0.0%
Southwest Fort Worth	331,164	11.0%
Plano	308,901	75.72%
Richardson	300,000	0.0%
Fort Worth CBD	280,489	51.47%
Westlake/Grapevine	273,840	30.38%
North Dallas Tollway	197,740	58.50%
Preston Center	186,257	7.88%
Las Colinas	100,000	100%
White Rock	99,500	97.47%
Allen/McKinney	76,000	60.53%
Stemmons Freeway	63,000	100%
Total	10,500,605	29.96%

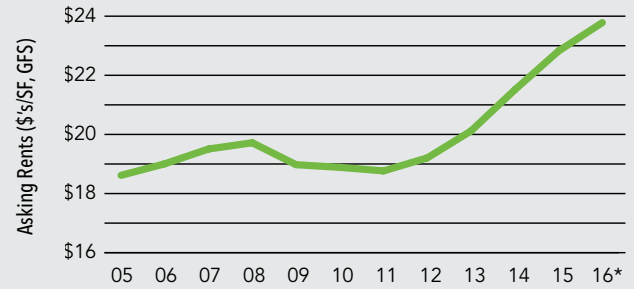
*Only Buildings 50,000 SF or Greater



for KPMG Plaza well-exceeds any previous office trades within the CBD. The fourteen sale transactions for Class B assets averaged \$88/SF and an 8.87% cap rate, with most of the deals situated in the Las Colinas and North Dallas Tollway submarkets. However, the largest transaction for Class B assets also involved a CBD tower, when Drever Capital acquired the 1.2-million-square-foot 1401 Elm out of bankruptcy court for \$65 million. Drever Capital plans to continue to redevelop the property into a mixed-use destination featuring a hotel, apartments, retail and office space.

Currently, there are 69 deals in the market, under contract or potentially coming to market, totalling just over 16.6 million SF. Nineteen of these deals were brought to market during the second quarter of 2016 and consist of a balanced mix of Class A and Class B assets. The three submarkets that make up Las Colinas have seen a spike in listings recently, accounting for 29 deals in the market. It is worth noting, however, that a handful of these deals – as with other listings in submarkets across the Metroplex – have been floating in the market for close to a year. While urban submarkets remain a strength, there remains some uncertainty for investors in the suburban submarkets.

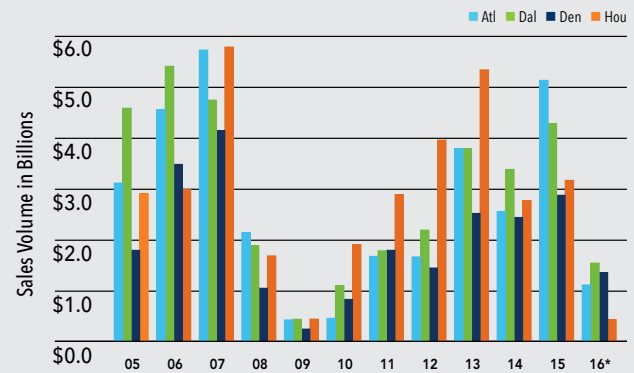
AVERAGE OFFICE RENTS – DALLAS-FORT WORTH – ALL CLASSES



*At Q2 2016

SOURCE: CoStar, Transwestern; June 2016

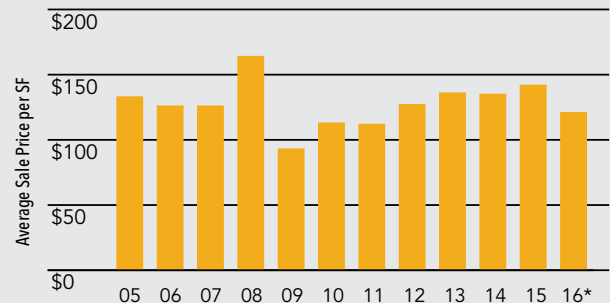
COMPARATIVE OFFICE INVESTMENT SALES VOLUME – SELECT METRO AREAS



*At Q2 2016

SOURCE: Real Capital Analytics, Transwestern; June 2016

AVERAGE OFFICE SALE PRICE – DALLAS-FORT WORTH



*At Q2 2016

SOURCE: Transwestern; June 2016

DALLAS-FORT WORTH OFFICE MARKET

MID-YEAR 2016

Office Market Outlook

Dallas-Fort Worth consistently ranks as one of the top metro areas for job growth due to a combination of growth from existing businesses and the formation of new businesses. According to the Robert Half Professional Employment Forecast, 87 percent of businesses in the DFW region plan to make hires in the next six months, signaling that employment growth will likely continue throughout 2016. As a result, we expect demand for office space to remain strong for the remainder of the year, especially for Class A space. Looking ahead, as current construction begins to deliver, vacancy is expected to increase as tenants existing locations will need to be backfilled. Rental rate growth will also likely dip but with the influx of new businesses moving to the Dallas-Fort Worth area, it is unlikely that the market will see much of a change.

Multi-tenant market vs Transwestern comprehensive market coverage

	MULTI-TENANT	ENTIRE MARKET
Inventory	189.9 MSF	342.2 MSF
Overall Vacancy	20.3%	12.7%
Q2 Net Absorption	241,726 SF	640,560 SF

Notable Q2 2016 Leases

TENANT	SF	LEASE TYPE	BUILDING	SUBMARKET
ATOS	100,000	Prelease	Connection Park I	DFW Freeport/Coppell
First American Title	75,000	Prelease	Connection Park II	DFW Freeport/Coppell
CompuCom	92,000	New	Dominion Legacy	Upper Tollway/West Plano
Compass Health	50,000	New	Bank of America Plaza	CBD
Cushman & Wakefield	40,000	Prelease	McKinney and Olive	Uptown/Turtle Creek

Notable Q2 2016 Sales

BUILDING	SUBMARKET	SALE PRICE	SELLER	BUYER
KPMG Plaza	CBD	\$225 Million (\$490/SF)	Hall Financial	Hanwha Life/Champion Partners
1401 Elm	CBD	\$65 Million (\$54/SF)	Olympic Property Partners	Drever Capital
Tollway Towers	North Dallas Tollway	\$41 Million (\$120/SF)	Granite Properties	Champion Partners/Cross Harbor Capital

Dallas Office Market Indicators – All Space

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY 2015	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
Dallas CBD	33,269,468	638,496	18.1%	20.3%	21.0%	342,879	(108,912)
Uptown/Turtle Creek	13,702,094	162,244	9.7%	8.5%	8.8%	1,936,383	(25,677)
White Rock	5,498,238	354,328	6.8%	6.1%	6.4%	99,500	29,617
Central Expressway	15,121,648	1,592,688	13.6%	11.5%	11.8%	-	78,659
Preston Center	5,730,788	492,799	7.6%	8.8%	9.2%	186,257	(11,332)
Stemmons Freeway	14,682,206	3,325,095	21.9%	22.3%	22.7%	63,000	(97,759)
South Irving	2,834,641	221,236	6.6%	8.3%	8.8%	35,000	20,773
Las Colinas/Urban Center	9,575,071	1,373,578	16.9%	14.3%	16.5%	100,000	32,570
Office Center/LBJ Extension	16,008,866	2,079,991	9.8%	13.0%	13.8%	-	(492,926)
DFW Freeport/Coppell	12,837,182	1,900,005	15.5%	14.8%	15.5%	876,402	48,176
West LBJ Freeway	5,318,779	1,209,067	23.8%	22.7%	23.5%	-	1,595
Denton/Lewisville	9,057,403	85,930	10.7%	7.4%	8.3%	-	39,899
Frisco/The Colony	6,341,318	888,480	11.5%	14.0%	14.3%	588,831	156,999
Allen/McKinney	7,668,440	683,546	8.6%	8.9%	9.5%	188,149	87,929
Upper Tollway/West Plano	26,736,366	2,696,755	10.1%	10.1%	12.3%	4,751,408	640,967
Plano	9,766,833	1,460,765	17.0%	15.0%	15.1%	366,568	27,566
Richardson	20,652,399	3,938,260	13.7%	19.3%	19.5%	337,157	49,217
North Dallas Tollway	23,251,076	3,082,361	12.9%	13.3%	13.9%	197,740	162,290
East LBJ Freeway	17,314,732	3,984,503	24.6%	23.1%	23.6%	-	74,335
Garland	3,755,717	802,000	11.3%	21.4%	21.4%	-	(417,554)
Southeast Dallas	1,244,375	128,974	10.8%	10.4%	10.4%	-	12,233
Mesquite/Rockwall	1,804,952	161,467	10.2%	8.7%	8.9%	-	(9,825)
Southwest Dallas	5,422,840	549,300	12.2%	10.1%	10.1%	23,195	34,179
Grand Prairie	4,335,002	317,388	8.7%	7.3%	7.4%	-	(909)
TOTAL – Dallas	271,930,434	32,129,256	13.0%	13.3%	13.9%	10,092,469	332,110

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

WHY OUR METHODOLOGY IS THE BEST INDICATOR OF CURRENT MARKET CONDITIONS:

We include owner occupied and single-tenant buildings in our inventory, vacancy and absorption statistics to capture more market activity than many of our competitors. This allows us to better correlate changes in the market with changes in employment. As single-tenant space does compete with multi-tenant space, we believe it is critical to understand all components of the market. The inclusion of single-tenant and owner-occupied space tends to yield lower vacancy rates and higher absorption totals than some of our competitors' results, but our coverage of the market is more comprehensive.

DALLAS-FORT WORTH OFFICE MARKET

MID-YEAR 2016

Fort Worth Market Indicators – All Space

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY 2015	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
Fort Worth CBD	11,786,749	1,221,335	9.1%	10.1%	10.4%	280,489	(55,998)
Northwest Fort Worth	1,233,285	63,015	9.9%	5.1%	5.1%	7,000	32,303
Alliance Air/Fossil Creek	3,617,021	270,802	7.1%	6.8%	7.5%	90,695	30,138
Westlake/Grapevine	11,589,843	1,247,160	14.2%	10.5%	10.8%	299,490	225,714
Hurst/Euless/Bedford	7,319,694	1,166,072	16.1%	15.9%	16.2%	14,914	32,762
Northeast Fort Worth	5,406,167	1,431,116	30.5%	26.5%	26.8%	-	34,322
Arlington	11,342,287	1,190,902	13.5%	10.5%	10.8%	3,000	66,939
Southeast Fort Worth	2,169,483	132,608	6.9%	6.2%	6.2%	-	3,713
Southwest Fort Worth	15,820,581	1,485,936	9.4%	9.4%	9.6%	173,084	133,314
TOTAL – Fort Worth	70,285,110	8,208,946	13%	11.2%	11.5%	868,672	503,207

Dallas-Fort Worth Office Market Indicators – All Space

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY 2015	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
TOTAL – DFW	342,215,544	40,338,202	13%	12.3%	12.7%	10,961,141	835,317

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

Dallas Office Market Indicators – Class A

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
Dallas CBD	22,964,115	5,641,889	22.2%	22.9%	342,879	(76,372)
Uptown/Turtle Creek	10,168,190	893,032	8.4%	8.8%	1,936,383	(9,066)
White Rock	388,177	46,754	12.0%	12.0%	-	-
Central Expressway	7,617,574	1,038,630	13.9%	14.1%	-	(29,070)
Preston Center	4,177,591	352,448	7.9%	8.4%	186,257	(23,681)
Stemmons Freeway	3,684,761	616,100	16.7%	16.7%	63,000	37,849
South Irving	-	-	-	-	-	-
Las Colinas/Urban Center	7,340,269	1,060,108	14.4%	17.3%	100,000	(3,829)
Office Center/LBJ Extension	7,505,557	989,635	13.2%	15.0%	-	544,179
DFW Freeport/Coppell	3,803,619	758,551	18.1%	19.9%	818,402	6,555
West LBJ Freeway	1,706,909	382,298	22.3%	22.4%	-	(7,030)
Denton/Lewisville	404,964	17,905	4.4%	4.4%	-	2,314
Frisco/The Colony	3,502,368	12,310	19.9%	20.2%	400,000	93,298
Allen/McKinney	1,548,298	251,302	13.9%	16.2%	30,000	25,459
Upper Tollway/West Plano	17,154,216	1,842,884	10.4%	10.7%	4,570,208	402,596
Plano	1,372,206	316,349	22.8%	23.1%	250,000	(21,423)
Richardson	9,897,498	2,164,194	21.7%	21.9%	300,000	(13,317)
North Dallas Tollway	10,863,688	1,078,729	9.9%	11.1%	197,740	61,635
East LBJ Freeway	8,971,169	2,178,119	23.5%	24.3%	-	101,172
Garland	-	-	-	-	-	-
Southeast Dallas	-	-	-	-	-	-
Mesquite/Rockwall	246,420	35,915	12.6%	14.6%	-	(9,897)
Southwest Dallas	280,729	15,500	5.5%	5.5%	-	-
Grand Prairie	1,851,880	-	0.0%	0.0%	-	-
TOTAL – Dallas	125,450,198	19,692,652	14.0%	14.7%	9,194,869	1,081,372

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

DALLAS-FORT WORTH OFFICE MARKET

MID-YEAR 2016

Fort Worth Market Indicators – Class A

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
Fort Worth CBD	5,914,246	858,462	14.0%	14.5%	136,110	(48,249)
Northwest Fort Worth	-	-	-	-	-	-
Alliance Air/Fossil Creek	581,227	122,543	21.1%	21.1%	-	14,282
Westlake/Grapevine	3,869,653	658,576	14.6%	17.0%	198,000	200,989
Hurst/Eules/Bedford	352,780	120,380	34.1%	34.1%	-	9,511
Northeast Fort Worth	403,938	339,241	84.0%	84.0%	-	(8,631)
Arlington	1,752,193	273,556	15.3%	16.3%	-	(29,070)
Southeast Fort Worth	541,630	-	0.0%	0.0%	-	-
Southwest Fort Worth	2,809,493	115,811	4.1%	4.3%	160,182	74,436
TOTAL – Fort Worth	16,225,160	2,488,569	23.4%	23.9%	494,292	213,268

Dallas-Fort Worth Office Market Indicators – Class A

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
TOTAL – DFW	141,675,358	22,181,221	18.7%	19.3%	9,689,161	1,294,640

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

Dallas Office Market Indicators – Class B

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
Dallas CBD	7,020,973	175,889	16.0%	16.1%	-	(12,102)
Uptown/Turtle Creek	2,747,674	236,340	8.5%	8.6%	-	(23,055)
White Rock	3,250,155	167,617	5.2%	5.7%	99,500	16,532
Central Expressway	6,080,751	510,858	8.1%	8.4%	-	85,704
Preston Center	969,769	82,980	8.6%	8.6%	-	24,009
Stemmons Freeway	8,585,116	2,322,381	26.3%	27.1%	-	4,470
South Irving	1,721,443	151,651	8.1%	8.8%	35,000	17,158
Las Colinas/Urban Center	1,984,027	273,946	13.8%	13.8%	-	36,399
Office Center/LBJ Extension	7,927,656	1,016,840	12.8%	12.8%	-	33,341
DFW Freeport/Coppell	8,693,999	1,221,611	13.9%	14.1%	58,000	36,621
West LBJ Freeway	3,132,577	733,616	22.1%	23.4%	-	(550)
Denton/Lewisville	9,057,403	665,788	7.4%	8.3%	-	55,821
Frisco/The Colony	2,640,307	195,362	7.1%	7.4%	169,831	62,619
Allen/McKinney	5,480,057	459,836	8.3%	8.4%	112,149	68,990
Upper Tollway/West Plano	8,967,143	895,559	9.9%	10.0%	181,200	238,371
Plano	7,259,515	1,079,300	14.8%	14.9%	116,568	11,350
Richardson	9,304,057	28,677	17.6%	17.9%	59,157	63,310
North Dallas Tollway	11,487,857	1,967,929	17.1%	17.4%	-	108,881
East LBJ Freeway	7,964,852	1,867,719	23.2%	23.4%	-	(21,088)
Garland	2,525,097	688,196	27.3%	27.3%	-	(437,205)
Southeast Dallas	624,617	81,996	13.1%	13.1%	-	6,233
Mesquite/Rockwall	1,749,634	132,112	7.6%	7.6%	11,500	11,786
Southwest Dallas	2,984,986	362,585	12.1%	12.1%	23,195	12,827
Grand Prairie	1,695,100	180,089	10.3%	10.6%	-	(2,970)
TOTAL – Dallas	123,854,765	15,498,877	13.3%	13.6%	866,100	397,452

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

DALLAS-FORT WORTH OFFICE MARKET

MID-YEAR 2016

Fort Worth Market Indicators – Class B

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
Fort Worth CBD	4,998,666	339,763	6.4%	6.4%	-	(14,662)
Northwest Fort Worth	520,552	38,571	7.4%	7.4%	7,000	32,743
Alliance Air/Fossil Creek	2,866,134	135,616	3.9%	4.7%	90,695	30,499
Westlake/Grapevine	6,699,541	542,149	7.7%	8.1%	101,490	15,496
Hurst/Eules/Bedford	5,052,499	766,029	15.2%	15.5%	14,914	19,170
Northeast Fort Worth	3,329,477	1,003,080	30.1%	30.1%	-	32,434
Arlington	7,156,902	947,924	13.0%	13.2%	18,000	39,892
Southeast Fort Worth	605,818	95,794	15.8%	15.8%	-	243
Southwest Fort Worth	15,806,989	1,485,936	9.4%	9.6%	12,902	19,336
TOTAL – Fort Worth	47,036,578	5,354,862	12.1%	12.3%	245,001	175,151

Dallas-Fort Worth Office Market Indicators – Class B

SUBMARKET	INVENTORY	SF AVAILABLE IMMEDIATELY	DIRECT VACANCY Q2 2016	VACANCY WITH SUBLET Q2 2016	UNDER CONSTRUCTION	NET ABSORPTION Q2 2016
TOTAL – DFW	170,891,343	20,853,739	12.7%	12.9%	1,111,101	572,603

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

Dallas Office Market Indicators – Asking Rental Rates

SUBMARKET	2013 CLASS A	2013 CLASS B	2014 CLASS A	2014 CLASS B	2015 CLASS A	2015 CLASS B	Q2 2016 CLASS A	Q2 2016 CLASS B	% CHANGE 12/15-6/16 CLASS A	% CHANGE 12/15-6/16 CLASS B
Dallas CBD	\$24.95	\$17.66	\$26.63	\$19.09	\$26.90	\$20.45	28.67	21.18	6.6%	3.6%
Uptown/Turtle Creek	\$26.49	\$22.76	\$27.34	\$24.09	\$29.66	\$25.21	38.81	33.25	30.8%	31.9%
White Rock	\$33.65	\$16.27	\$33.37	\$15.38	\$33.36	\$16.59	N/A	18.52	N/A	11.6%
Central Expressway	\$21.99	\$17.11	\$22.77	\$17.99	\$24.85	\$18.60	28.35	22.64	14.1%	21.7%
Preston Center	\$33.50	\$20.77	\$35.65	\$26.38	\$35.88	\$26.62	36.19	28.26	0.9%	6.2%
Stemmons Freeway	\$22.75	\$14.68	\$23.12	\$14.79	\$22.42	\$15.28	22.65	15.36	1.0%	0.5%
South Irving	N/A	\$13.39	N/A	\$13.85	N/A	\$18.74	N/A	20.51	N/A	9.4%
Las Colinas/Urban Center	\$25.35	\$18.59	\$28.27	\$19.90	\$28.97	\$21.25	29.53	21.44	1.9%	0.9%
Office Center/LBJ Extension	\$22.10	\$19.83	\$22.51	\$20.99	\$25.60	\$22.35	26.78	22.59	4.6%	1.1%
DFW Freeport/Coppell	\$21.25	\$19.89	\$23.23	\$19.83	\$24.83	\$20.70	25.30	21.25	1.9%	2.7%
West LBJ Freeway	\$19.49	\$17.66	\$20.02	\$19.73	\$21.86	\$19.84	22.33	19.94	2.2%	0.5%
Denton/Lewisville	\$30.27	\$17.62	\$30.27	\$18.10	\$24.56	\$19.38	26.24	22.13	6.8%	14.2%
Frisco/The Colony	\$25.36	\$24.50	\$30.30	\$24.62	\$31.21	\$24.42	37.02	28.26	18.6%	15.7%
Allen/McKinney	\$22.64	\$18.55	\$22.87	\$20.33	\$23.90	\$18.60	26.72	23.86	11.8%	28.3%
Upper Tollway/West Plano	\$25.15	\$22.16	\$25.49	\$22.59	\$26.48	\$22.96	31.41	25.12	18.6%	9.4%
Plano	\$21.37	\$17.55	\$22.34	\$18.03	\$20.81	\$23.02	21.35	25.16	2.6%	9.3%
Richardson	\$21.99	\$17.06	\$22.48	\$17.99	\$24.01	\$18.35	25.92	18.57	8.0%	1.2%
North Dallas Tollway	\$23.41	\$18.97	\$25.39	\$19.59	\$26.73	\$20.81	27.92	21.89	4.5%	5.2%
East LBJ Freeway	\$20.49	\$17.33	\$23.27	\$18.39	\$25.05	\$19.03	25.13	19.09	0.3%	0.3%
Garland	N/A	\$13.81	N/A	\$14.02	N/A	\$15.09	N/A	20.75	N/A	37.5%
Southeast Dallas	N/A	\$11.47	N/A	\$10.61	N/A	\$10.99	N/A	16.99	N/A	54.6%
Mesquite/Rockwall	\$29.28	\$12.31	\$29.78	\$12.41	\$29.66	\$14.32	31.23	28.35	5.3%	98.0%
Southwest Dallas	\$21.84	\$11.72	\$21.84	\$12.13	\$21.84	\$13.07	21.98	16.13	0.6%	23.4%
Grand Prairie	N/A	\$17.88	N/A	\$18.72	N/A	\$18.67	N/A	19.19	N/A	2.8%
AVERAGE – Dallas	\$23.22	\$17.48	\$24.21	\$18.32	\$25.22	\$18.83	28.08	22.10	11.3%	17.4%

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

DALLAS-FORT WORTH OFFICE MARKET

MID-YEAR 2016

Fort Worth Market Indicators – Asking Rental Rates

SUBMARKET	2013 CLASS A	2013 CLASS B	2014 CLASS A	2014 CLASS B	2015 CLASS A	2015 CLASS B	Q2 2016 CLASS A	Q2 2016 CLASS B	% CHANGE 12/15-6/16 CLASS A	% CHANGE 12/15-6/16 CLASS B
Fort Worth CBD	\$27.05	\$17.97	\$26.59	\$18.12	\$26.53	\$16.66	\$28.80	\$19.63	8.56%	17.83%
Northwest Fort Worth	N/A	\$21.03	N/A	\$21.10	N/A	\$21.24	N/A	\$21.25	N/A	0.05%
Alliance Air/Fossil Creek	N/A	\$18.63	N/A	\$18.96	N/A	\$16.56	N/A	\$17.23	N/A	4.05%
Westlake/Grapevine	\$21.91	\$17.55	\$21.15	\$19.78	\$21.69	\$19.86	\$27.27	\$26.58	25.73%	33.84%
Hurst/Euless/Bedford	\$16.09	\$15.24	\$16.87	\$15.23	\$17.52	\$16.71	\$19.29	\$17.38	10.10%	4.01%
Northeast Fort Worth	\$16.92	\$14.61	\$17.30	\$14.09	\$15.50	\$17.32	\$21.30	\$18.42	37.42%	6.35%
Arlington	\$20.49	\$18.59	\$19.65	\$18.33	\$21.17	\$18.54	\$20.40	\$19.15	-3.64%	3.29%
Southeast Fort Worth	N/A	\$13.51	N/A	\$12.19	N/A	\$12.43	N/A	\$16.93	N/A	36.20%
Southwest Fort Worth	\$19.45	\$15.95	\$19.85	\$15.87	\$20.59	\$15.40	\$24.12	\$21.41	17%	39.03%
AVERAGE – Fort Worth	\$20.32	\$17.01	\$20.24	\$17.08	\$20.50	\$17.19	\$23.53	\$19.78	15.89%	16.07%

Dallas-Fort Worth Office Market Indicators – Asking Rental Rates

SUBMARKET	2013 CLASS A	2013 CLASS B	2014 CLASS A	2014 CLASS B	2015 CLASS A	2015 CLASS B	Q2 2016 CLASS A	Q2 2016 CLASS B	% CHANGE 12/15-6/16 CLASS A	% CHANGE 12/15-6/16 CLASS B
AVERAGE – DFW	\$21.77	\$17.25	\$22.23	\$17.70	\$22.86	\$18.01	\$25.81	\$20.94	13.61%	16.72%

SOURCE: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Transwestern.

RESEARCH CONTACT

Mackenzie Schweitzer
 Research Analyst
 214.446.4533
 mackenzie.schweitzer@transwestern.com

Paul Wittorf
 Market Leader
 214.446.4512
 Paul.wittorf@transwestern.com

METHODOLOGY

The information in this report is the result of a compilation of information on office and industrial properties located in the Dallas-Fort Worth metropolitan area. This report includes single-tenant, multi-tenant and owner-user office properties, excluding properties owned and occupied by a government agency.



5001 Spring Valley Road, Suite 400W ▪ Dallas, Texas 75244
 972.774.2500 ▪ transwestern.com/dallas
 777 Main Street, Suite 1100 ▪ Fort Worth, Texas 76102
 817.877.4433 ▪ transwestern.com/fortworth